

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL****FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

03-015

2. STATE:

Vermont

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

10/01/02

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

Section 1927SSA

7. FEDERAL BUDGET IMPACT:

a. FFY 2004 \$ 1,048,320b. FFY 2005 \$ 966,720

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att. 3.1A pg. 5a and 5b

(03-15)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Same (02-09)

Vermont, 103-015
approved: 04/22/04
effective: 07/01/03

10. SUBJECT OF AMENDMENT:

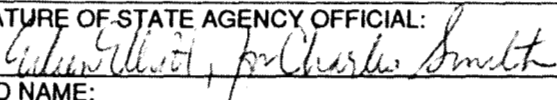
Supplement Rebate Agreements

11. GOVERNOR'S REVIEW (Check One):

- ☒
- GOVERNOR'S OFFICE REPORTED NO COMMENT
-
- ☐
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
-
- ☐
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

~~XXXXXXXXXX~~ Charles P. Smith

14. TITLE:

Secretary, Agency of Human Services

15. DATE SUBMITTED:

September 30, 2003

16. RETURN TO:

Roxanne Doty
VT Dept. of PATH
103 South Main Street
Waterbury, VT 05671-1201**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

September 30, 2003

18. DATE APPROVED:

April 22, 2004

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

July 1, 2003

21. TYPED NAME:

Bruce D. Greenstein

20. SIGNATURE OF REGIONAL OFFICIAL:

22. TITLE:

Associate Regional Administrator, DMCH

23. REMARKS:

The State requested that SPA 03-015 be split into SPA 03-015a and SPA 03-015b.
SPA 03-015a with an effective date of October 1, 2002: disapproved on April 23, 2004
SPA 03-015b with an effective date of July 1, 2003: approved on April 22, 2004.
Page 5a is not considered part of this SPA since the State agency made no changes to the SPA.
Page 5b is created to accommodate a new plan page.

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10. Supplemental Rebate Agreements: Certain covered products in accordance with Section 1927 of the Social Security Act may not be among the baseline preferred drugs identified by the State of Vermont's Drug Utilization Review (DUR) Board and/or the Pharmacy and Therapeutics (P & T) Committee for various therapeutic classes. The state may negotiate supplemental rebate agreements that would reclassify any drug not designated as preferred in the baseline listing for as long as the agreement is in effect.

In addition the State has the following policies for the supplemental rebate program for the Medicaid population:

- Supplemental rebate agreements are unique to each state. The Centers for Medicare and Medicaid Services (CMS) has authorized the June 10, 2002 version of the Vermont Supplemental Rebate Agreement and the Supplemental Rebate Agreements submitted September 30, 2003 and amendments and exhibits in accordance with the Michigan Multi-State Pooling Agreement (MMSPA).
- Funds received from supplemental rebate agreements will be reported to CMS. The state will remit the federal portion of any supplemental rebates collected.
- Manufacturers with supplemental rebate agreements are allowed to audit utilization data.
- The unit rebate amount is confidential and cannot be disclosed in accordance with Section 1927 (b) (3) (D) of the Social Security Act.
- The Office of Vermont Health Access may require prior authorization for covered outpatient drugs. Non-preferred drugs are available with prior authorization
- The prior authorization process for covered outpatient drugs will conform to the provisions of section 1927 (d) (5) of the Social Security Act.

Exhibit A1
Participating State's Non-Medicaid Programs Approved by CMS in the
Medicaid State Plan(s)

Participating State: (Vermont)

Non-Medicaid programs approved by CMS in the Medicaid State Plan(s)- Date of Approval

- | | | |
|----|-------------|---------|
| 1. | <u>None</u> | <u></u> |
| 2. | <u></u> | <u></u> |
| 3. | <u></u> | <u></u> |
| 4. | <u></u> | <u></u> |
| 5. | <u></u> | <u></u> |
| 6. | <u></u> | <u></u> |

TN# 03-15b

Effective Date: 07/01/03

Supersedes

TN # None

Approval Date: 04/22/04